

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)	
WATER COMPANY FOR AN ORDER)	
AUTHORIZING THE ISSUANCE AND SALE)	
OF ITS GENERAL MORTGAGE BONDS,)	
8.36% SERIES, DUE DECEMBER 1, 2001)	
IN THE PRINCIPAL AMOUNT OF)	CASE NO. 91-401
\$13,000,000, AND FURTHER AUTHORIZ-)	
ING THE ISSUANCE AND SALE OF)	
45,000 SHARES OF ITS \$100 PAR VALUE)	
PREFERENCE STOCK, 8.47% SERIES, DUE)	
DECEMBER 1, 2036 FOR AN AGGREGATE)	
CONSIDERATION OF \$4,500,000)	

O R D E R

IT IS ORDERED that Kentucky-American Water Company ("Kentucky-American") shall file an original and six copies of the following information with this Commission, with a copy to all parties of record, within 10 days from the date of this Order. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide the interest rates and effective dates for the promissory notes payable to Signet Bank/Virginia and First Security National Bank and Trust Company of Lexington since April 1, 1991.

2. Explain why Kentucky-American has chosen to convert its short-term debt at this time.

3. Provide a summary of construction expenditures indicating total cost of routine construction and by major project and the time period during which the cost occurs.

4. Provide a copy of each covenant relating to the redemption, retirement or callability contained in the 10 percent series preferred stock.

5. Explain Kentucky-American's rationale for the planned preference stock redemption. Provide an analysis using net present value.

6. Provide a comparative analysis of the impact on Kentucky-American's revenue requirements and capital structure of the planned redemption and issuance of securities.

Done at Frankfort, Kentucky, this 6th day of December, 1991

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director